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Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES LLC

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

IVY CAPITAL, INC., etc., et al.,

Defendants, and

CHERRYTREE HOLDINGS, LLC,
etc., et al.

Relief Defendants.

CASE NO. 2:11-cv-00283-JCM-GWF

ORDER

On October 27, 2011, at 10:30 a.m., the court held a status hearing regarding the issue of legal expenses and attorneys' fees pursuant to the court's order entered August 12, 2011 (doc. # 229). Gary Owen Caris of McKenna Long & Aldridge LLP appeared on behalf of the permanent receiver Robb Evans & Associates LLC ("receiver"); Daniel O. Hanks and Shamika L. Gainey appeared on behalf of plaintiff Federal Trade Commission, and Emily Cope Burton appeared telephonically on behalf of plaintiff Federal Trade Commission; David R. Koch of Koch & Scow

1 LLC appeared on behalf of Benjamin E. Hoskins, Leanne Hoskins, Oxford Financial, LLC and
2 Dream Financial; Joseph S. Kistler of Hutchison & Steffen appeared on behalf of defendants
3 Fortune Learning, LLC, The Shipper, LLC, James G. Hanchett and Steven J. Sonnenberg; Chad
4 R. Fears appeared on behalf of Ivy Capital, Inc., Kyle Kirschbaum, and several other persons and
5 entities referred to as the Ivy Capital defendants; Ann C. Schneider appeared on behalf of
6 defendants Christopher M. Zelig, Zyzac Commerce Solutions, Inc., and Curva LLC; and other
7 appearances, if any, were as noted in the record. The court, having read and considered the legal
8 expense budgets submitted by various defense counsel to the receiver as set forth in the
9 Receiver's Comments Regarding Legal Expense Budgets (doc. # 200), the Receiver's
10 Recommendations Regarding Legal Expense Budgets in Response to Court's Order entered
11 August 12, 2011 (doc. # 231), the revised legal expense budgets filed in response to the court's
12 August 12, 2011 order by various defendants (doc. ## 234, 235 and 236), and all of the other
13 pleadings filed with respect to legal expense budgets by the plaintiff and defendants, having heard
14 and considered the arguments and contentions of counsel, and good cause being shown therefor,
15 it is

16 ORDERED that the legal expense budgets and, where applicable, the revised budgets
17 submitted to the receiver and the court by defense counsel, are tentatively approved, subject to a
18 reasonableness review and changed circumstances; and it is further

19 ORDERED that the receiver's recommendations as set forth in doc. # 231 are approved in
20 their entirety, as follows:

21 1. The defendants' counsel shall each submit monthly invoices to the receiver
22 showing actual fees and costs incurred for the preceding calendar month. Copies of the invoices
23 shall be served on counsel for plaintiff and other defendants in order to enable them to review and
24 comment. The receiver shall approve and authorize the payment of invoices provided they are
25 within the budgeted limit tentatively approved herein and otherwise appear generally reasonable.
26 If there is a dispute over the allowance of any portion of the fees and expenses as to any invoice,
27 the receiver and/or defense counsel may bring the matter to the attention of the court for
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1 resolution. The invoices presented to the receiver and parties may be redacted as appropriate to
2 preserve the attorney-client privilege.

3 2. For all defendants, approved invoices shall first be paid from income of the
4 individual defendants earned after February 22, 2011 other than from telemarketing or other
5 prohibited activities, in compliance with the court's preliminary injunction order. To the extent
6 such assets are unavailable, the balance of approved fees and costs shall be paid from frozen
7 assets of the individual defendants or relief defendants. Receivership defendants' funds shall not
8 be used to fund any of the approved legal fees and expenses.

9 3. The receiver may adopt reasonable procedures to implement the terms of this
10 order.

11 Dated: November 2, 2011.

12 
13 JAMES C. MAHAN
14 United States District Judge

CERTIFICATE OF SERVICE

I am a citizen of the United States and employed in San Francisco County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 300 South Grand Avenue, 14th Floor, Los Angeles, CA 90071.

On October 31, 2011, I served the **ORDER** upon the parties and/or counsel listed and by the methods indicated on the attached Service List.

I declare upon the penalty of perjury that the foregoing is true and correct, and that I am employed in the office of a member of the bar of this court at whose direction the service was made. Executed on October 31, 2011 at Los Angeles, California.

/s/ Pamela A. Coates
Pamela A. Coates

SERVICE LIST

The following CM/ECF participants were served by electronic means on October 31, 2011:

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